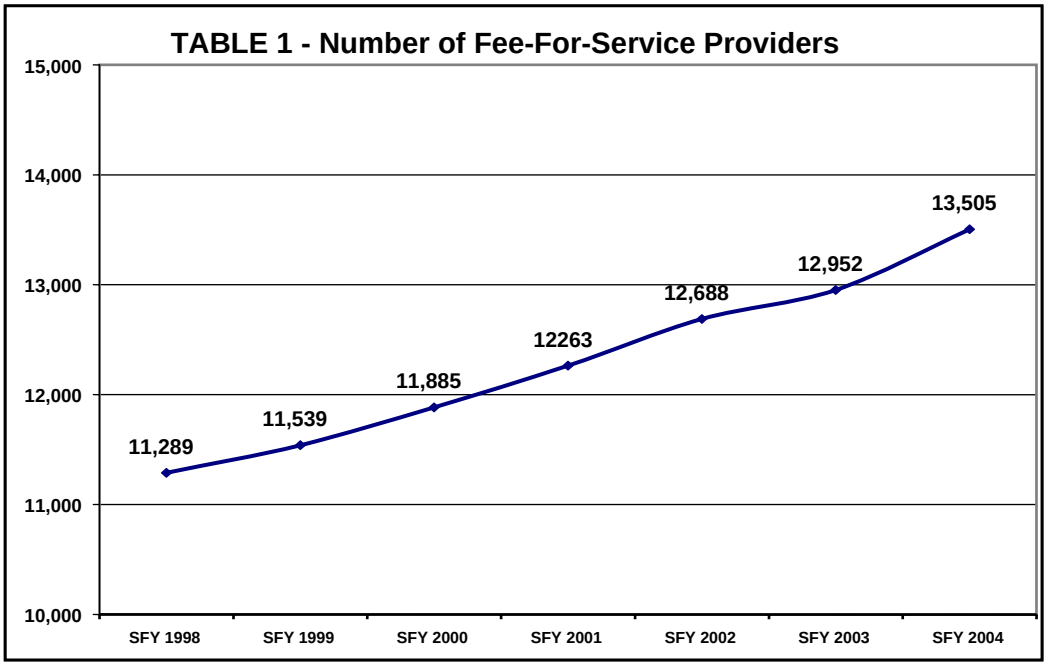
HEALTH & RECOVERY SERVICES ADMINISTRATION
FEE-FOR-SERVICE PHYSICIAN & ARNP PARTICIPATION
SFY 2004 UPDATE

UPDATE SUMMARY

- This is the third update of Department of Social and Health Services (DSHS) Health and Recovery Services Administration (HRSA) monitoring of its fee-for-service (FFS) access to physician and Advanced Registered Nurse Practitioners (ARNPs) (hereafter referred to as providers).

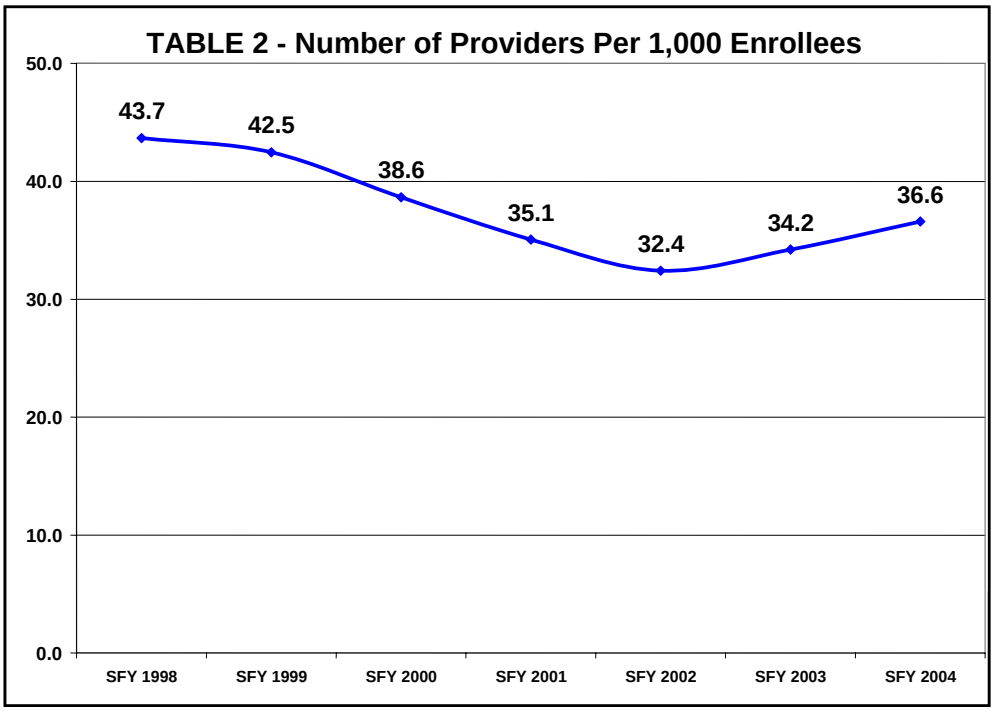
- Overall, state fiscal (SFY) 2004 statewide data continued to show sustainable trends. However, some specialty providers in certain counties had reductions that will need to be closely monitored.

- The number of active providers increased 4.3% from 12,952 in SFY 2003 to 13,505 in SFY 2004 (see Table 1). This is a continuation of a trend over the past seven years in which provider participation increased an average of 3.0% per year. The SFY 2004 increase in the number of providers was broad based. Twenty-six (67%) of the 39 counties had an increase in providers, while 10 (26%) had a decrease.



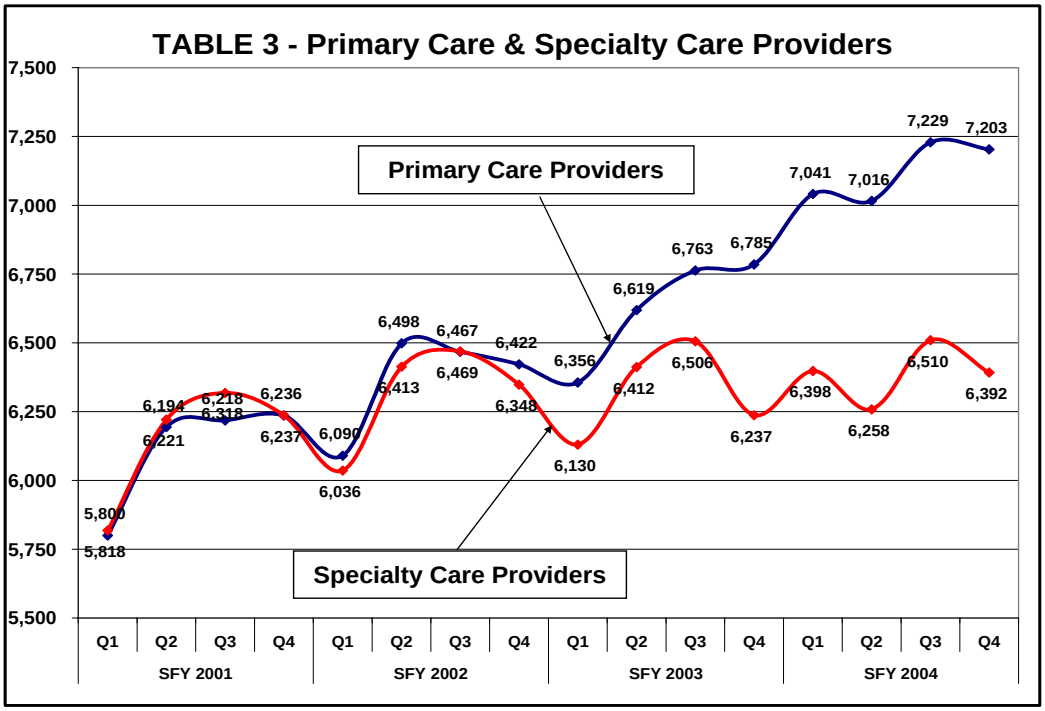
- The ratio of providers per 1,000 clients increased 7.0%, from 34.2 per 1,000 to 36.6 per 1,000 during SFY 2004 (see Table 2). This is a continuation of a trend over the past three years. The SFY 2004 increase also was broad based. Twenty-seven 27 (69%) of the counties had an increase in providers, while 12 (31%) had a decrease.

  In part, the ratio of providers per 1,000 clients increased because there was a 2.4% decrease in FFS clients during this period. This decrease was due to an increase in Healthy Options (HO) managed care mandatory counties.



- Although there were more providers, the distribution of visits provided by the top quartile of providers remained at 71%. Twenty-one (54%) of the 39 counties had a decrease in the percent of visits by the top quartile, while 18 (46%) had an increase.

- While there has been an increase in the number of primary care providers, active specialty physicians did not materially increase (see Table 3).



BACKGROUND

In March 2003, HRSA developed and began tracking a set of measures to monitor HRSA's fee-for-service (FFS) access to physician and ARNP care. [1] These measures are:

1. Number of active FFS providers, which provides a basic measure of physician participation; [2]

2. Capacity of the FFS providers network presented as a ratio of providers to 1,000 clients, which provides a normalized measure of access capacity; and,

3. Distribution of FFS visits performed by the top quartile of active providers, which provides a measure of workload across active physicians.

The number of "active" FFS providers is compared with the reported number of Medicaid Healthy Options (HO) managed care, state employees' PEBB managed care and state employees' Uniform Medical Program (UMP) providers to assess if there is a comparable loss or gain in physicians serving HO, PEBB and UMP members.[3]

The three measures are separately compared for FFS primary care and specialty care providers, and for adult and children providers. Primary care providers are defined as those who were in the following four categories: general practice, family practice, pediatrics, and internal medicine. Specialty care providers are those who were outside the four categories.

Each measure is compared on a statewide and by-county basis to identify overall trends and specific county issues. The measures are updated every six months on a January/June cycle. To ensure complete data, there is a six month lag in generating the data used for the most current periods.

To better assess the burden on providers, two additional measures are being added. These measures are - visits per active provider and visits per 1,000 clients. Visits per provider will indicate whether providers are on average providing more services to Medicaid clients. Visits per 1,000 clients is a utilization measure that will indicate whether providers are seeing clients who are using more services. These measures are being tracked on a quarterly basis beginning July 2003.

[1] Refer to "*Measuring Fee-For-Service Physician & ARNP Participation and Client Access to Care – Baseline Measures*" report prepared by the Department of Social and Health Services Medical Assistance Administration (March 30, 2004) for overview of the access measures and baseline estimates for SFY 2001 and 2002, with SFY 1998-2000 comparisons.

[2] "Active providers" is the number of physicians or ARNPs that had at least one patient visit in a given period. The reason for adopting this definition is to fully capture information for the distribution of visits measure.

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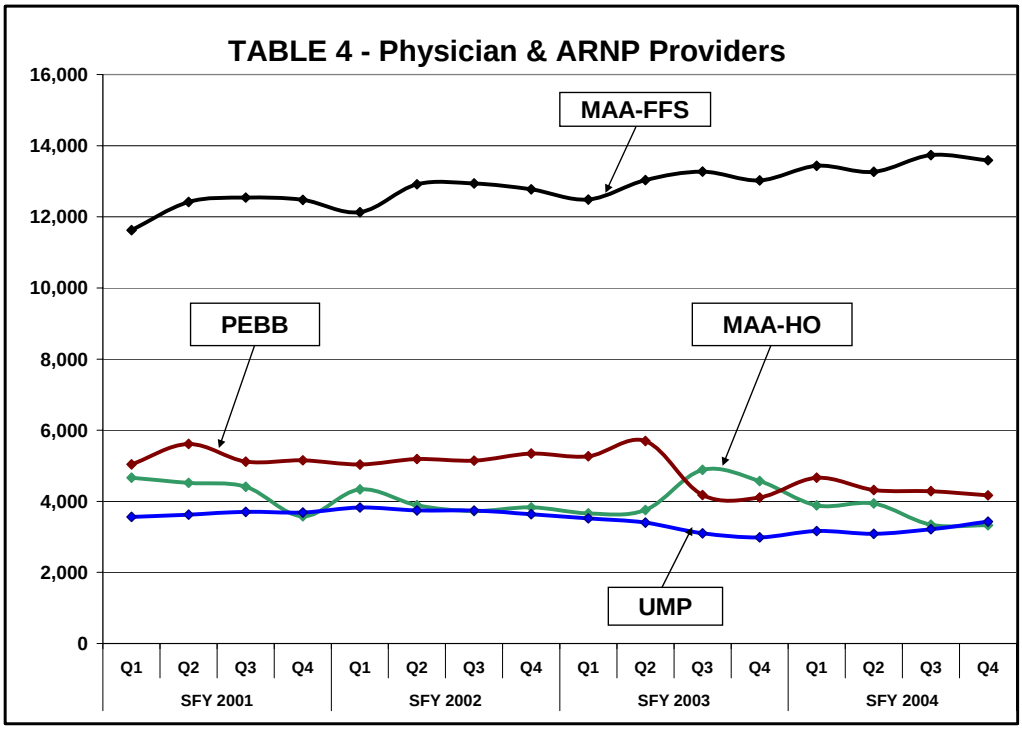
[3] The count of FFS physicians/ARNPs is based on active performing providers in a given period, while HO, PEBB and UMP counts are based on the number of contracting physicians in the health plan's network during that period. Therefore, it is more appropriate to compare the directionality (more or fewer providers between periods) across the plans and FSS than comparing the absolute.

NUMBER OF ACTIVE FFS PROVIDERS

The number of active providers increased 4.3% from 12,952 in SFY 2003 to 13,505 in SFY 2004 (see Table 4). This is a continuation of a trend over the past five years (see Table 1). This increase in the number of providers was broad based. Twenty-six (67%) of the 39 counties had an increase in providers, while 10 (26%) had a decrease and 3 (8%) counties had no change.



In comparison, HO had a 14.1% decrease in reported providers in their network in SFY 2004 compared to SFY 2003. UMP and PEBB also had reductions on reported providers, -0.9% and -9.4% respectively (see Table 4).

The number of active FFS primary care providers increased 7.4 % from 6,631 in SFY 2003 to 7,122 in SFY 2004 (see Table 3). This increase was broad based, as 28 (72%) of the 39 counties had an increase, while only 6 (15%) had a decrease.

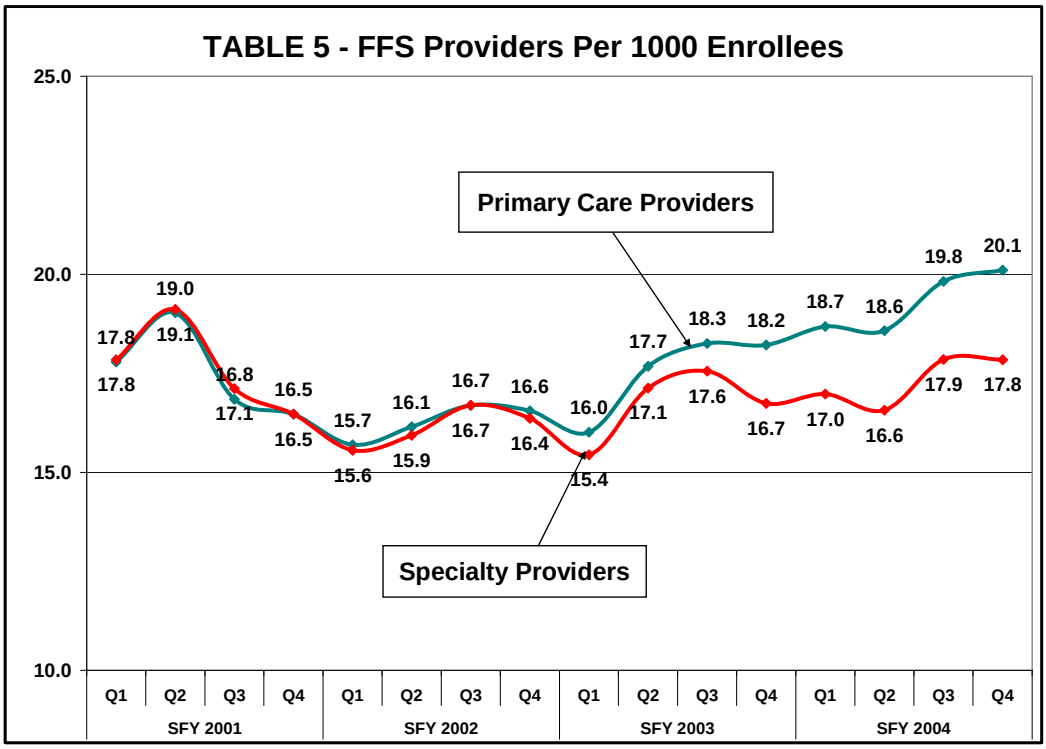
The number of active FFS specialty physicians increased very slightly (1.1%) from 6,321 in SFY 2003 to 6,390 in SFY 2004 (see Table 3). The increase in providers is not as broad-based as primary care providers. Nineteen (49%) counties had an increased number of specialty providers, while 15 (38%) counties had decreases.

RATIO OF ACTIVE PROVIDERS PER 1,000 CLIENTS

The ratio of FFS providers per 1,000 clients increased 7.0%, from 34.2 per 1,000 to 36.6 per 1,000 (see Table 2). This increase also was broad based. Twenty-seven (69%) counties had an increase in providers, while 12 (31%) had a decrease.

In part, the ratio of providers per 1,000 clients increased because there was a 2.4% decrease in FFS clients during this period. This decrease was due to an increase in HO managed care mandatory counties.

The ratio of FFS primary care providers per 1,000 clients increased 10.1% from 17.5 per 1,000 in SFY 2003 to 19.3 per 1,000 in SFY 2004 (see Table 5). This increase was broad based, as 28 (72%) counties had increases, while 11 (28%) had a decrease.

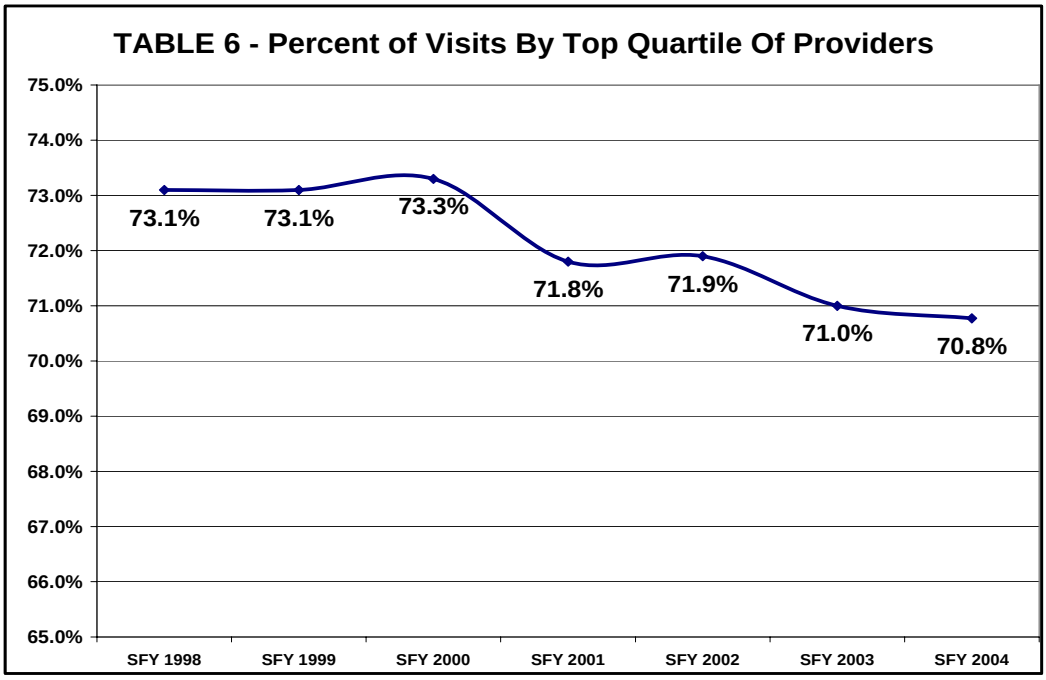


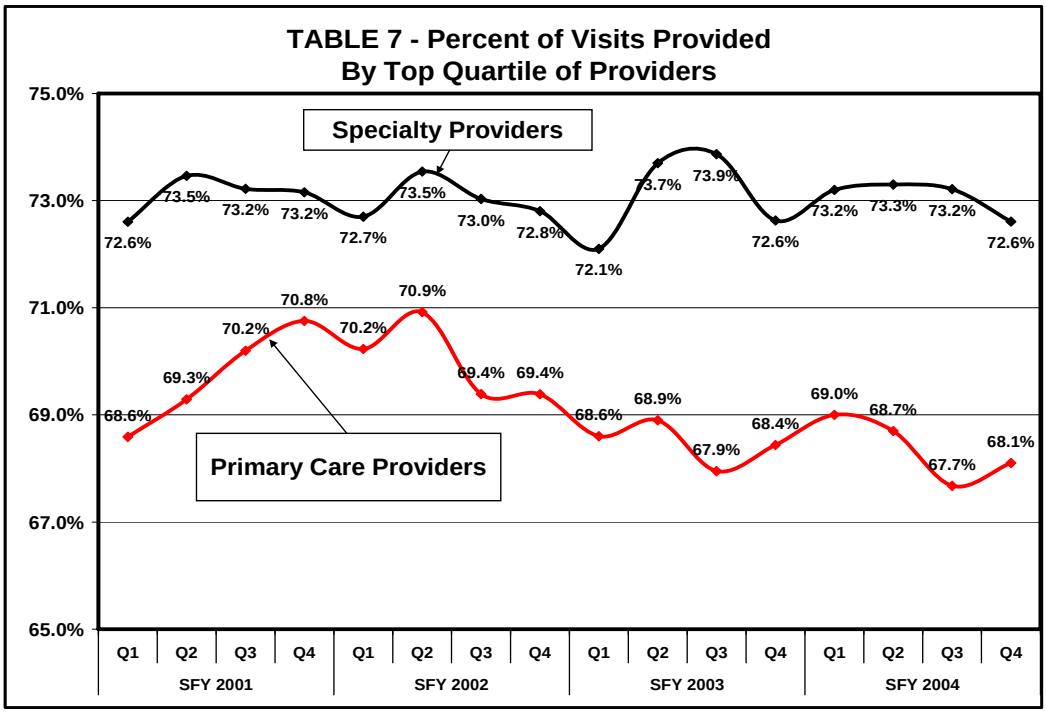
The ratio of FFS specialist providers per 1,000 clients increased 3.6% from 16.7 per 1,000 in SFY 2003 to 17.3 per 1,000 in SFY 2004 (see Table 5). This increase was not broad based, as only 18 (46%) counties had increases while 21(54%) had a decrease.

VISITS PROVIDED BY TOP QUARTILE OF ACTIVE PROVIDERS

The distribution of FFS visits performed by the top quartile of active providers provides one measure of workload across active physicians. Ideally, the top quartile (25%) of providers would provide 25% of all visits for the report period, the top 50% of the providers would provide 50% of the visits, etc. A reduction in the services by the top quartile represents a reduction in the burden on providers, as more visits are provided by the remaining 75% of active providers.

Over the past seven years, the percent of office visits provided by the top quartile of providers has gone down slightly (see Table 6). In SFY 1998, the top quartile provided 73% of the visits, while more recent SFY 2004 ratio decreased to 71%.





In SFY 2004, the distribution of visits provided by the top quartile of providers remained at 71%. Twenty-one (54%) of the 39 counties had a decrease in visits by the top quartile while 18 (46%) had an increase.

On average, the top quartile of primary care providers provided fewer visits compared to specialty providers (see Table 7). Over the past four years (SFY 2000 through SFY 2004), the average was 69% for primary care providers compared to 73% for specialty providers.

BY-COUNTY ACCESS ISSUES

As described above, 10 (26%) counties had a reduction in the number of active HRSA FFS providers during SFY 2004. The counties in order of highest percent reductions were: Skamania, Jefferson, Mason, Pend Oreille, San Juan, Island, Klickitat, Whitman, Kittitas and Grant. These rural counties accounted for 6.7% of HRSA's FFS SFY 2004 caseload and 2.9% of the FFS active providers.

Jefferson and Klickitat have experienced a reduction in each of the four years. These two rural counties accounted for 1.4% of HRSA's FFS SFY 2004 caseload and .4% of the total active providers.

Over the past seven years, the statewide ratio of providers per 1,000 clients has increased in only the past three years (see Table 2). While 69% of the counties had an increase during SFY 2004, only five counties (King, Okanogan, Lincoln, San Juan and Adams) increased every year.

In SFY 2004, 12 counties had reductions in their ratio of providers per 1,000 clients. These counties in order of highest reduction were: Garfield, Skamania, Klickitat, Jefferson, Whitman, Thurston, Mason, Cowlitz, Pend Oreille, Kittitas, Island and Benton. Nine (75%) of these counties had a reduction in each of the four previous years.

With the exception of Benton, the other 11 counties' ratio of providers per 1,000 clients was below the statewide ratio. The average ratio for the 12 counties was 19.5 per 1,000 clients compared to an average of 26.9 per 1,000 for the other 27 counties.

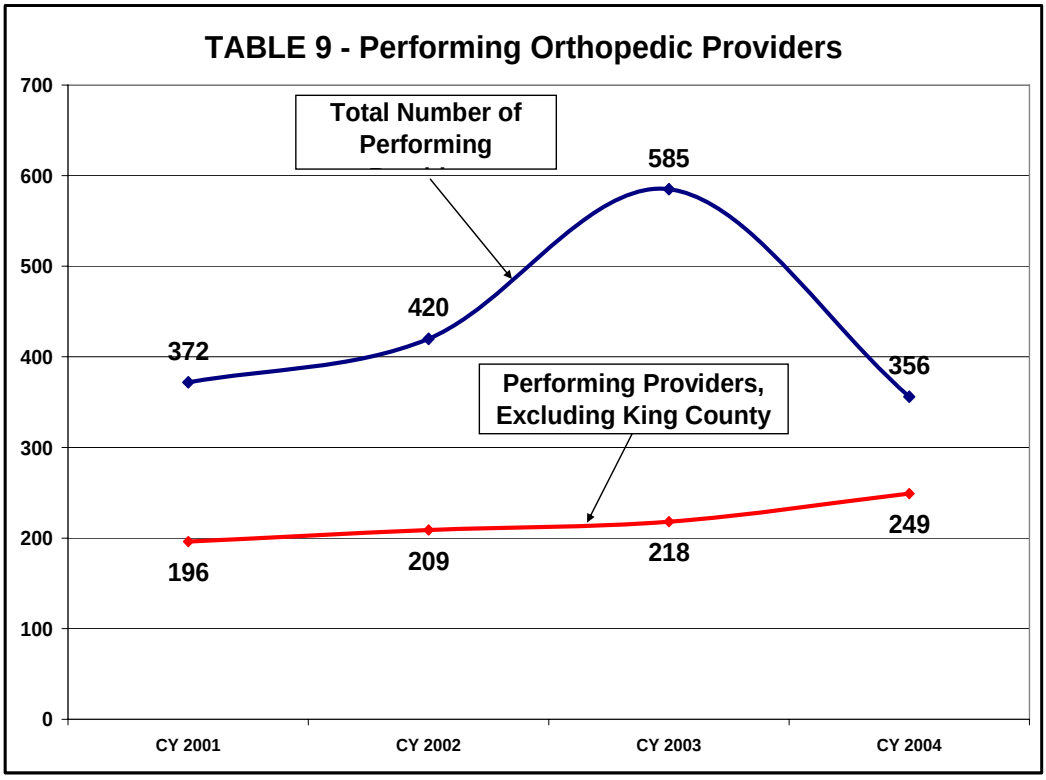
ACCESS TO ORTHOPEDIC PROVIDERS

While the number of active primary care providers has increased 16.5% over the past four years, the number of specialty providers only increased 3.9%, or 1.3% per year. Recently, anecdotal information suggests that it is difficult to obtain orthopedic services in certain counties.

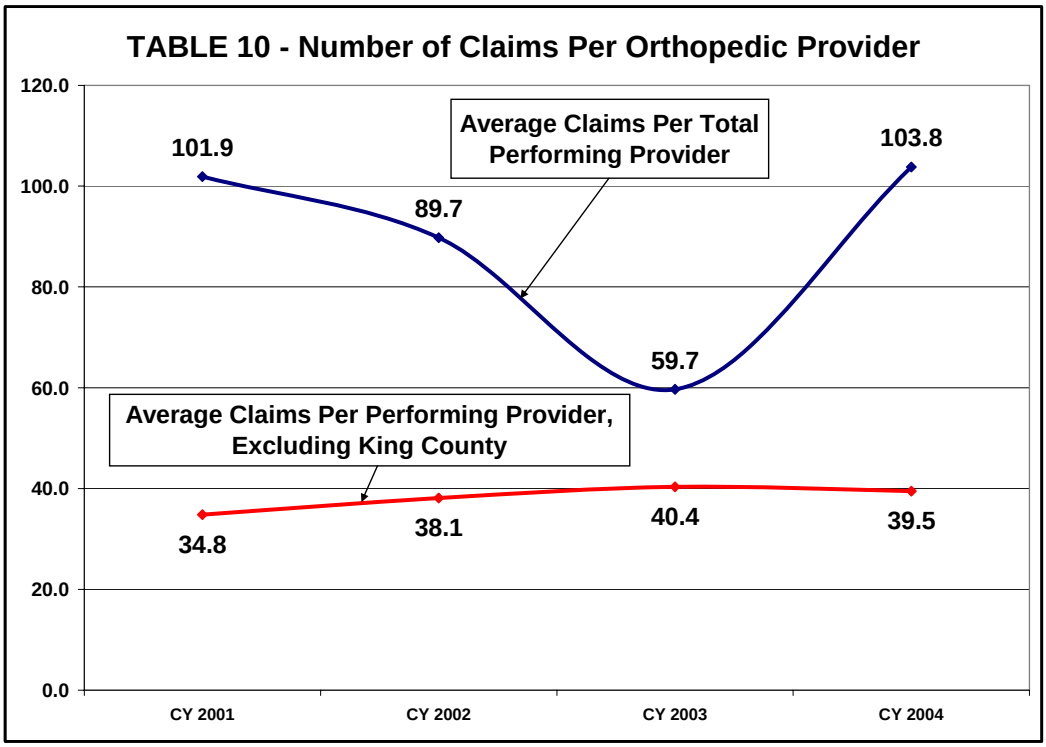
In SFY 2004, there were 229 (39%) fewer performing providers. However, this reduction was primarily in King and Thurston counties. Excluding King County, the remaining counties had 31 (14%) more providers.

Based on comparison of SFY 2001-2004 FFS data, there has been instability in the availability of physicians providing orthopedic services to HRSA clients. During the past four years, only 23 counties have providers serving HRSA FFS clients. As expected, King County has the largest number of providers – 30% of all performing providers in SFY 2004.

During the past four calendar years (CY), the number of physicians providing orthopedic services increased an average of 26% in CY 2002 and 2003, but then decreased 39% in CY 2004 (see Table 9). Excluding King County, the remaining counties had a 5% per-year average increase in CY 2001 and 2003, and a 14% increase in CY 2004.

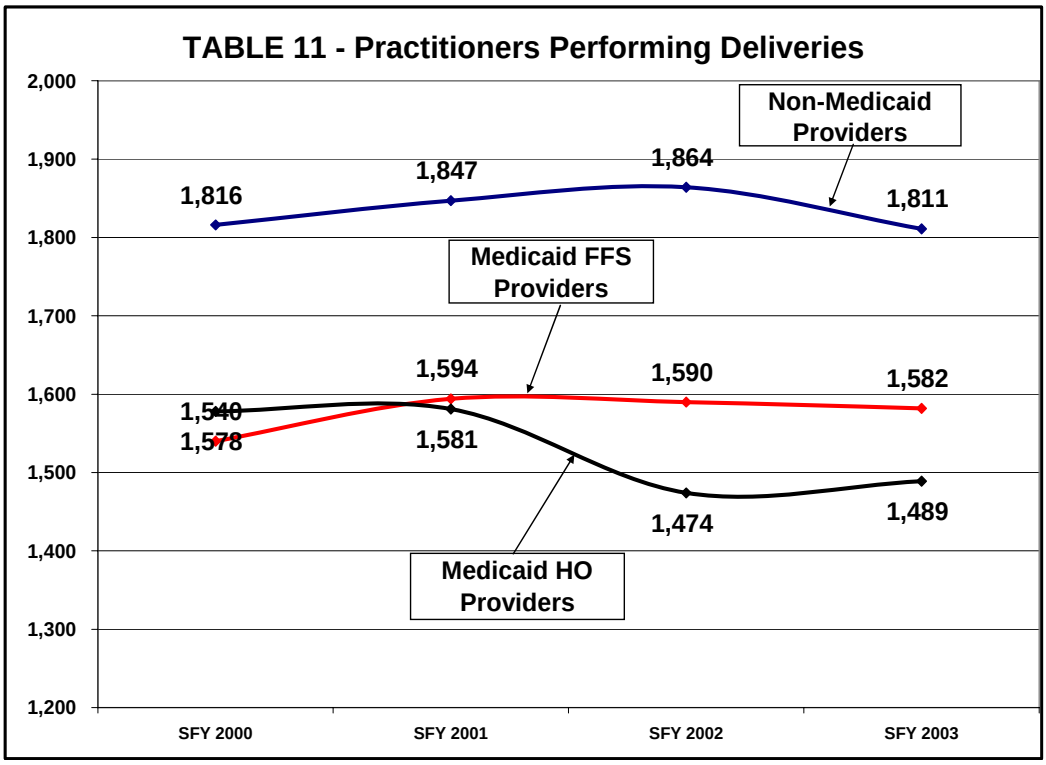


The average number of Medicaid FFS claims per performing provider decreased in SFY 2002 and 2003, and then increased 74% in SFY 2004 (see Table 10). Excluding King County, the pattern is significantly different. In the remaining counties, claims per FFS provider increased about 8% in SFY 2002-03 and then decreased 2% in SFY 2004



ACCESS TO OBSTETRIC CARE [4]

Given that Medicaid pays for over 40% of all births in the state, it is imperative that Medicaid pregnant women have access to obstetrical care. Based on SFY 2000-2003 data, the number of physicians providing deliveries for Medicaid FFS clients has not decreased.

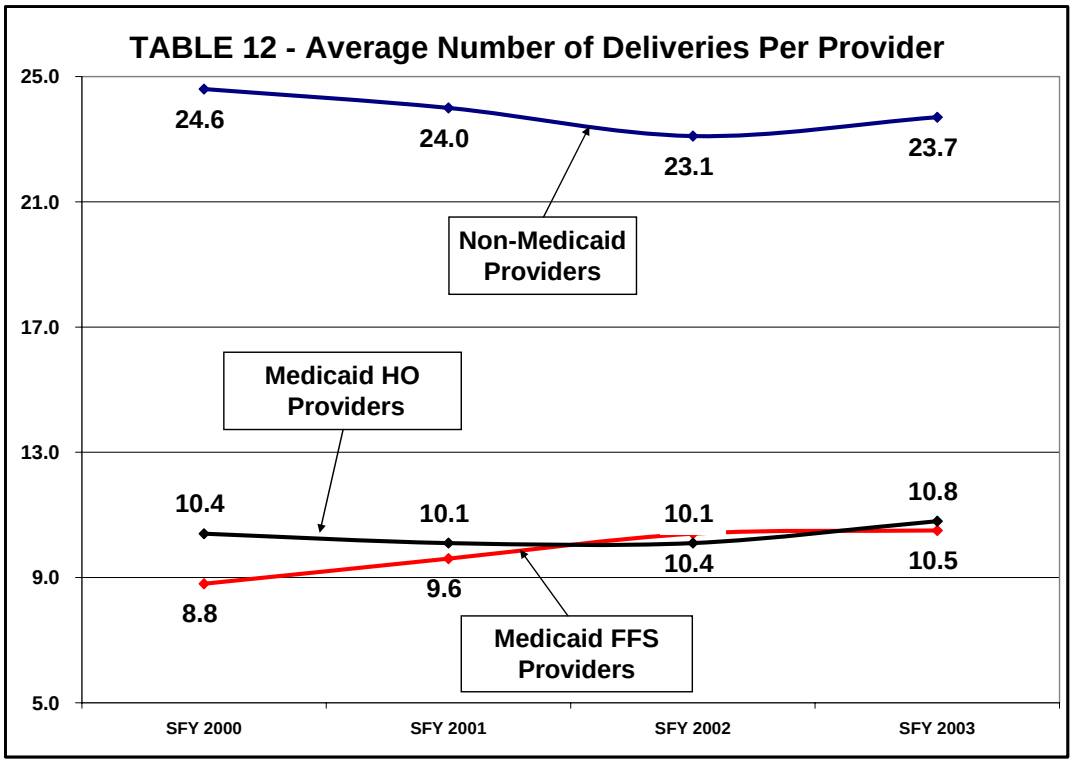


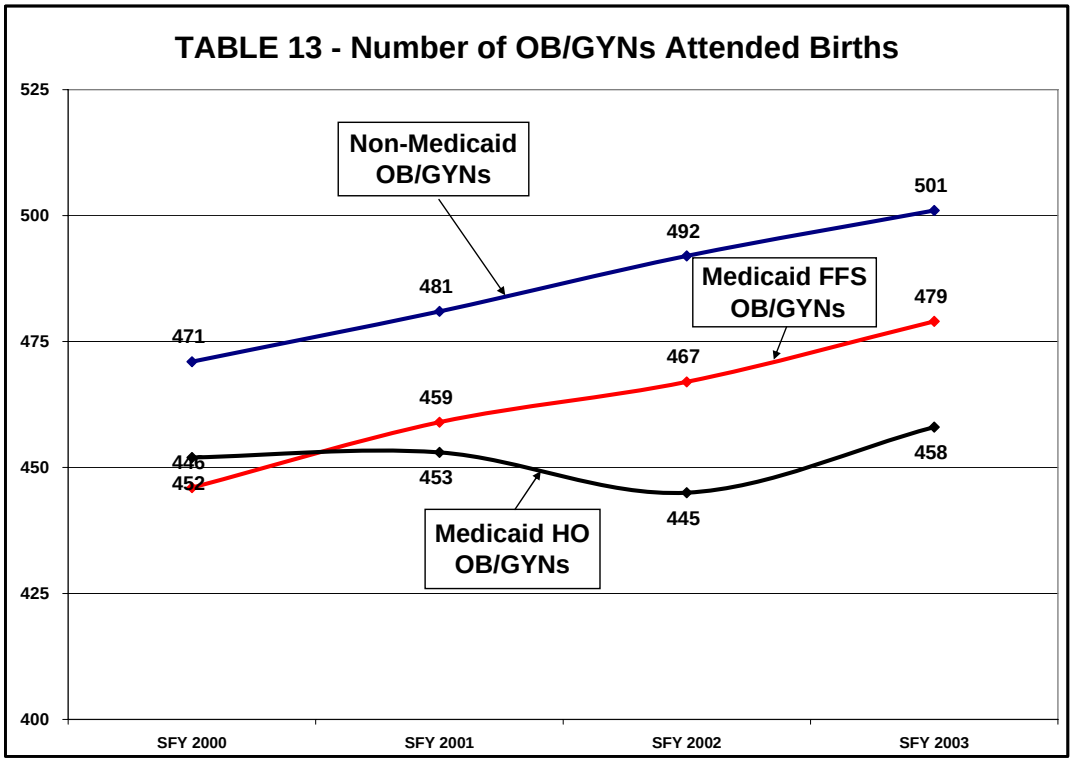
On average, the number of Medicaid FFS physicians performing deliveries increased .9% per-year during this period compared to a .1% decrease for non-Medicaid providers and a 1.9% decrease in HO providers (see Table 11).

While there was increase in providers, the number of deliveries per Medicaid FFS provider also increase 6.1% per-year during this period compared to a 1.3% increase for HO providers and 1.2% decrease for non-Medicaid providers (see Table 12). However, these changes were not dramatic. Changes in the average number of deliveries per provider are consistent with trends in the number of Medicaid-paid deliveries and the proportion of pregnant women enrolled in HO and fee-for-service.

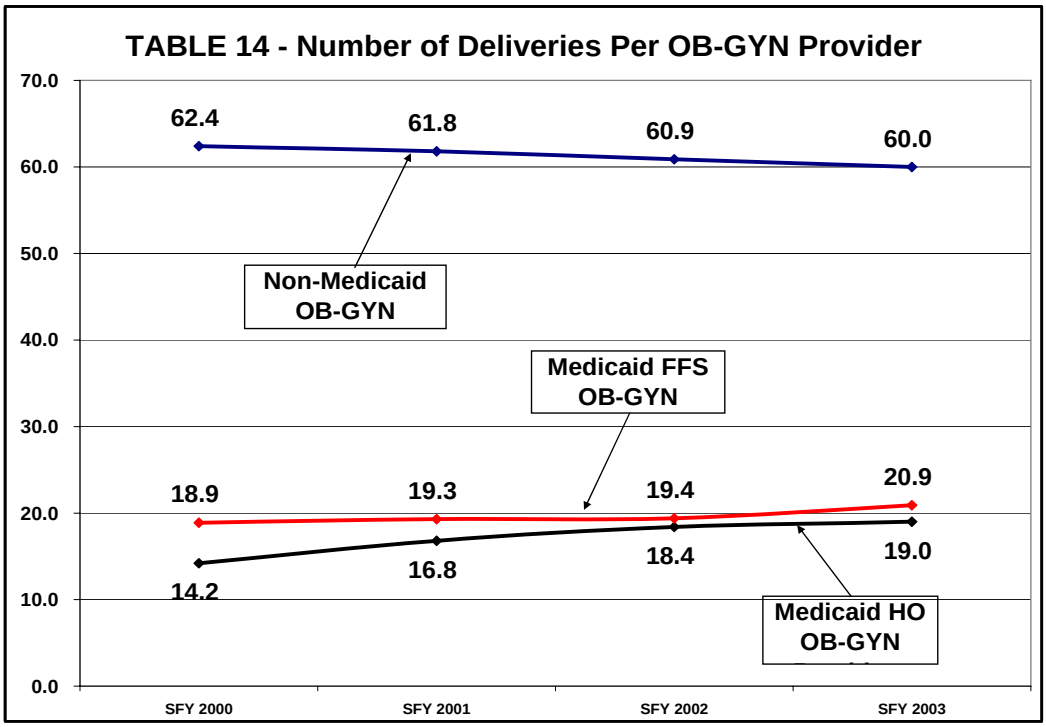
Over the 4-year period, the number of OB/GYN physicians providing deliveries for Medicaid FFS clients increased. There was 2.4% per-year average increase in the number of FFS OB/GYNs compared to a 2.1% increase for non-Medicaid OB/GYNs and a .5% increase in HO OB/GYNs (see Table 13).

[4] The data source for this section was the birth certificate-Medicaid match performed by the First Steps Database (DSHS Research and Data Analysis). Each delivery was classified as Medicaid fee-for-service, Medicaid Healthy Options, or non-Medicaid based on Medicaid claims and eligibility data. Attendants at birth as listed on the birth certificate were unduplicated and their medical specialties identified. SFY 2004 data will be available after November 2005.



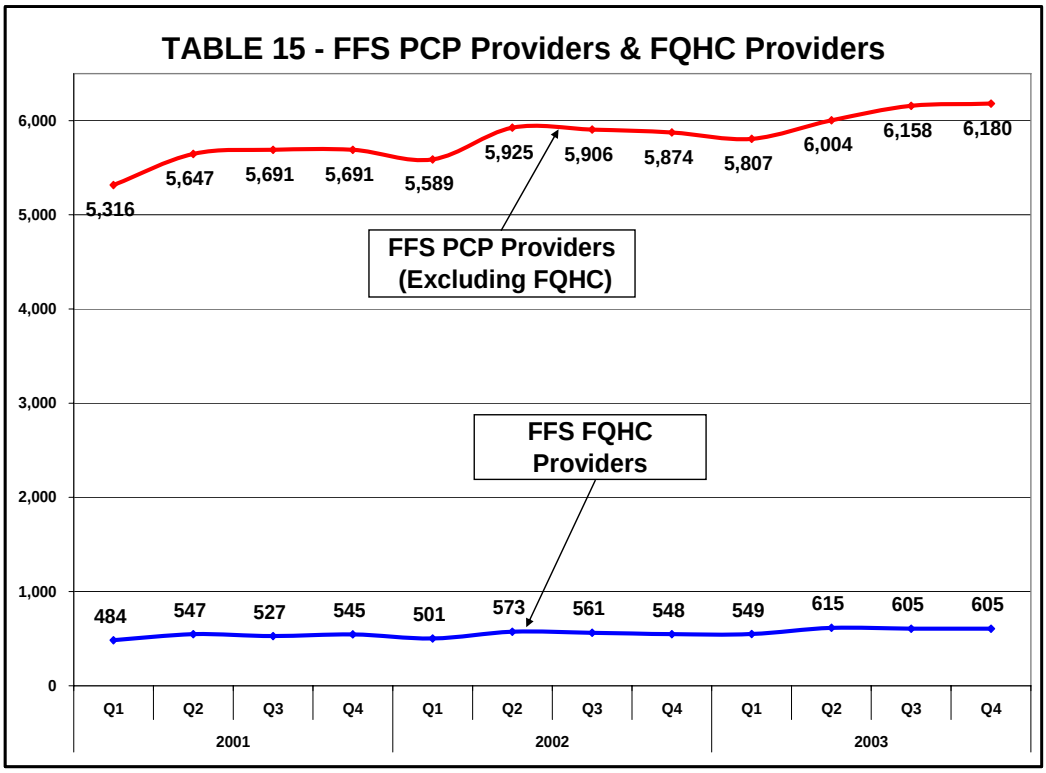


There also was a 10.4% average increase in the number of deliveries per Medicaid FFS OB/GYN during this period (see Table 14). In comparison, there was a 3.5% increase in deliveries per HO OB/GYN and 1.3% decrease for non-Medicaid OB/GYNs.



FQHC PROVIDERS

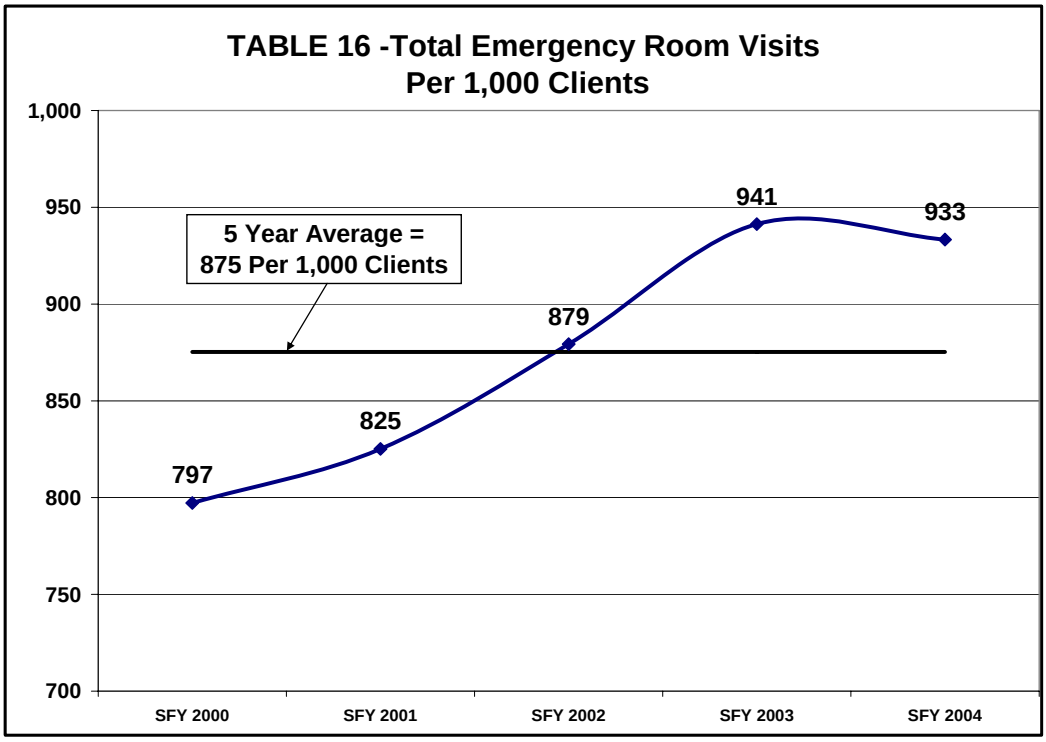
A question was arisen as to whether the increase in the number of primary care providers was primarily due to the increase in FQHC providers rather than "regular" providers? An analysis of SFY 2001-2003 data indicates this is not the case (see Table 15).



Over the three year period SFY 2001 through 2003, the number of FFS FQHC providers increased 6.3% per year from 526 in SFY 2001 to 594 in SFY 2003. At the same time, the number of FFS primary care providers increased 4.0% per year from 5,586 in SFY 2001 to 6,037 in SFY 2003.

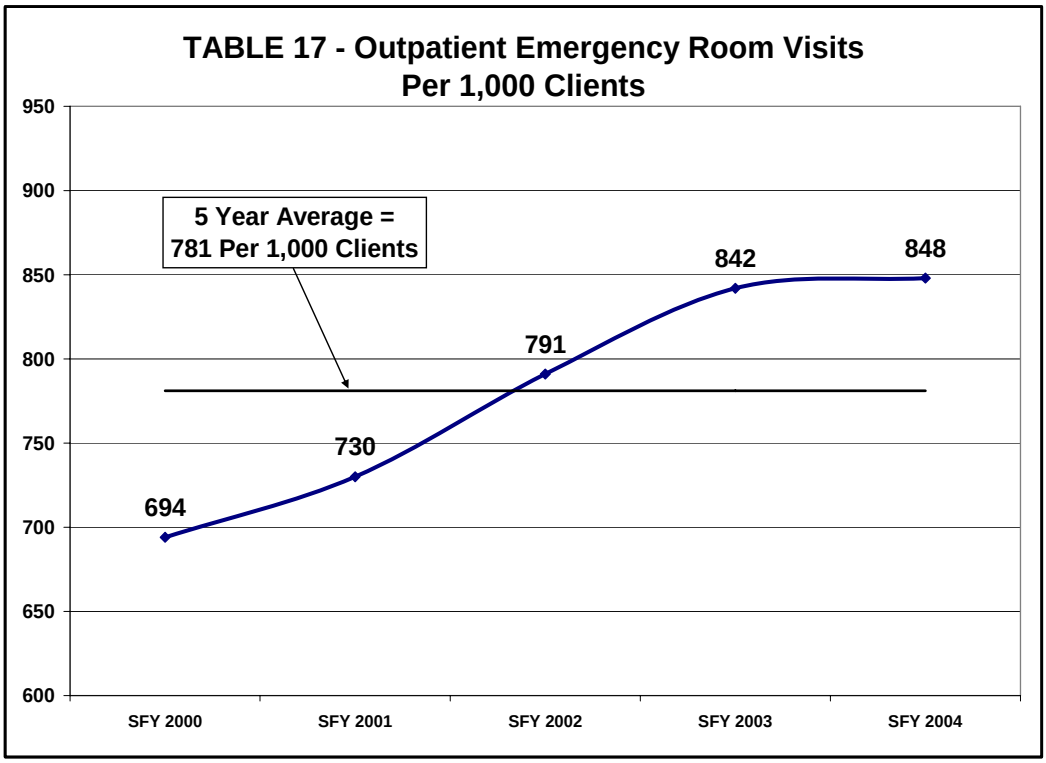
EMERGENCY ROOM VISITS [5]

HRSA is also tracking hospital emergency room (ER) visits on a bi-annual basis. Total (inpatient and outpatient) ER visits per 1,000 clients decreased slightly for the first time (see Table 16).



Outpatient ER visits per 1,000 FFS clients, which is a more appropriate access proxy, grew slightly from 842 in SFY 2003 to 848 in SFY 2004 while the corresponding numbers for inpatient ER dropped from 99 to 85. This was the lowest increase in outpatient ER visits in the past 5 years. As before, most ER visits (91%) did not result in hospital admissions.

[5] Refer to "*Emergency Room Visits by Washington State Medicaid Fee-For-Service Clients*" (January 2005) report prepared by the Department of Social and Health Services Medical Assistance Administration.



NEXT STEPS

The growth in the number of active specialty providers does not appear to be keeping pace with FFS caseload growth. Moreover, there has been a reduction in some specialties such as orthopedic providers in some counties. HRSA will need to monitor these trends. In addition, HRSA may need to develop strategies to actively recruit more providers or strategies for existing high quality providers to serve more HRSA clients.

The 2005 Legislature has directed HRSA to coordinate with the Department of Revenue and Health Care Authority to develop options for providing financial incentives for physicians to serve the uninsured, Medicare and Medicaid patients. The report will be submitted to the Governor and Legislature in November 2006.

Although not directed at specialists, the 2005 Legislature provided additional funding to support rural providers. Physicians in rural counties will receive a $194 rate increase for labor and delivery services in SFY 2006 and a $216 rate increase in SFY 2007 to ensure maternity care access in rural areas. This is particularly important for Medicaid because the program covers over 40% of all births in the state.

During SFY 2004, there was a reduction for the first time in five years in the number of ER visits per 1,000 Medicaid FFS clients. HRSA will be developing measures to analysis the by-county relationship between ER utilization and FFS providers per 1,000 clients.

HRSA has begun to incorporate two new measures - ratio of number of FFS visits per quarter per 1,000 active physicians and the number of visits per 1,000 eligible FFS clients. There are now quarter measures for SFY 2004. Beginning with the SFY 2005 update, these measures will be brought into the ongoing analysis.